



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JAY B. RISING
STATE TREASURER

August 5, 2003

Dear Assessors and Equalization Directors:

The Michigan Department of Treasury is pleased to announce the establishment of a local unit grant program for the review, discovery, and audit of omitted or incorrectly reported personal property. For the 2003-2004 fiscal year, the Michigan Legislature designated \$7,000,000.00 for this grant program. Cities, townships and counties will be eligible to submit grant applications for approval to the Michigan Department of Treasury to cover a portion of local costs incurred for duties and activities authorized pursuant to MCL 211.22a. A copy of MCL 211.22a is included as an enclosure with this letter.

We anticipate that local units will use grant money for various purposes allowed by MCL 211.22a but primarily to pay for contracts with third-party vendors who will audit larger personal property returns and train local unit employees. The grant program recognizes that the State School Aid Fund is a major beneficiary of personal property audits from the 6 mill State Education Tax and the 18 mill local school operating tax. Because local governments are frequently substantial beneficiaries as well, we expect local governments to pay an appropriate portion of contract costs, including the cost of completing some of their own auditing. Treasury has not yet completed the criteria that local units and third-party vendors will be required to meet in order to participate in the grant program.

We expect the application and approval process for these grants to move quickly and hope to send applications and criteria for selection soon. We then expect to process applications in September and award grants in October. This will allow auditing to start in early November.

If you wish to receive further information about these grants or an application form, please return the enclosed notification by August 18, 2003. This request for information will not be considered a commitment to participate in the grant program.

I look forward to working with you in making this program a success.

Sincerely,

A handwritten signature in black ink that reads "Jay B. Rising".

Jay B. Rising
State Treasurer

Enclosures

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.22a Personal property examiners; certification; powers; expenses; examination of property.

Sec. 22a.

(1) The state tax commission, upon presentation by representatives of county tax or equalization departments, townships and cities, of satisfactory evidence of education, experience, or by passage of a test conducted by the commission, shall certify a successful applicant as a qualified personal property examiner. A certified personal property examiner may examine only the property or the cost records relating to such property of any corporation, firm, or individual liable to assessment within their county, township or city for property taxes under this act.

(2) Upon written request of a city, village or township assessing officer to examine the property or books of any corporation, firm, or individual, a certified personal property examiner of the county tax or equalization department shall conduct the examination. Where there is no certified personal property examiner in the county equalization department, the examination shall be made by a representative of the state tax commission at the expense of the city, village or township.

(3) Where any corporation, firm or individual is subject to personal property assessment in more than 3 counties of the state then the corporation, firm or individual may request an examination be made at their expense by a representative of the state tax commission at a rate of 1/10 of 1 mill of the gross value of the personal property of said corporation, firm or individual under examination.

**Notification to Request Information about the
2003 Grant Program for Personal Property Audits**

Due date: **August 18, 2003.** By sending this information request, you are only requesting an application package. Once an application is received, there is not an obligation to complete the application or to participate in the grant program. As part of the application review process, you will need approval from your legislative body by October 31, 2003. The grant program will require a local unit to participate in the cost of the audit program.

1) Name and Title of contact person(s)	
2) Name of Local Unit of Government	
3) Mailing Address	
4) Email Address	
5) Telephone #	
6) Fax #	
7) No. of Personal Property Assessments that are assessed less than \$50,000	
8) No. of Personal Property Assessments that are assessed between \$50,000 - \$100,000	
9) No. of Personal Property Assessments that are assessed more than \$100,000	

Please fax or mail this information request to the Michigan Department of Treasury, Property Tax Division, fax number (517) 241-2621 or mail to: 430 W. Allegan Street, PO Box 30471, Lansing, Michigan 48909-7971.

The Department of Treasury expects to post additional information on the 2003 Personal Property Audit Grant Program in late August on the Michigan Department of Treasury Website: www.michigan.gov/treasury